

TONBRIDGE & MALLING BOROUGH COUNCIL

STRATEGIC HOUSING ADVISORY BOARD

19 May 2008

Report of the Director of Health and Housing

Part 1- Public

Matters for Recommendation to Cabinet - Council Decision

1 DISABLED FACILITIES GRANTS

Summary

This report updates Members on the changes to the Disabled Facilities Grant (DFG) programme from May 2008. It looks at the impact the changes will have, particularly on the DFG funding and the need for re-profiling of the DFG budget to meet future need for major adaptations for people with disabilities.

1.1 Background

1.1.1 The Government commissioned a report from Bristol University in 2004 to review the DFG process. The report which was published in 2005. The report provided a critique of the DFG programme and detailed a long list of potential reforms. Some of these reforms have already taken place, for example the removal of the means test for major adaptations relating to children; as presented at a meeting of this Board on the 8 October 2007.

1.1.2 As part of these reforms further changes take place May 2008 and in the longer term.

1.2 Changes to the DFG programme proposed from May 2008

1.2.1 Maximum grant limit to be raised

The maximum DFG limit is to be increased from £25,000 to £30,000. This will help those people needing expensive adaptations such as extensions, often needed for adaptations for children.

1.2.2 Changes to the means test

DFG applicants claiming Council Tax Benefit, Housing Benefit, and Tax Credits for those on a low income will be passported through the means test. This will be in line with applicants in receipt of other means tested benefits such as Income Support, Pension Guaranteed Credit and Job Seekers Allowance (Income Based).

For those applicants in receipt of Working Tax Credit and Child Tax Credit these payments will not be counted as income in the means test. This will mean that applicants in receipt of Tax Credits will not be penalised for their increase in income.

1.2.3 Recycling of DFG funding

The Government will provide local authorities with the discretion to place limited charges on adapted properties of owner-occupiers, where the cost of the DFG exceeds £5,000. The maximum charge will be £10,000. The charge is only effective if the property is sold within ten years.

The charge is discretionary and will be determined on a case by case basis reflecting the individual circumstances of each applicant, with issues of hardship and particular problems taken into account.

This change will allow the Council to recycle DFG funding and use it to benefit other DFG applicants.

1.2.4 Eligible works

Works to enable applicants' access to gardens is to be included as eligible works under the mandatory DFG funding, where it is reasonable and practicable. Previously, eligibility for these types of works was not clear and many local authorities in other parts of Kent would only fund works to provide one means of access to and from the property.

This change will allow applicants to join in activities in the garden as well as provide access to and from their home. Care will be required to ensure funding is allocated appropriately and not used to landscape gardens over and above that which is necessary to allow the person with disabilities to be included in garden activities.

1.2.5 Social Housing Grant funding for adaptations to transfer to DFG funding

The element of Social Housing Grant funding for adaptations from the Housing Corporation is to form part of the overall DFG baseline funding. This will mean that Registered Social Landlords (RSLs) can no longer access the Housing Corporation funding to top up DFG funding where the maximum limit is exceeded.

1.2.6 Removal of the 60:40 funding split

Up until now, local authorities have been required to top-up fund the 60 per cent of funding for DFGs from Government with 40 per cent of their own funding. However, from May 2008 the Council will no longer have a duty to do so.

In 2007/08 the Council spent £523,000 on DFG adaptations, with £314,000 of this funded by Government. The allocation for 2008/09 from Government totals £360,000. The DFG is a mandatory grant and the year on year increases in spend illustrate the need for Council funding to continue as a priority, particularly if the needs of residents in the borough are to be met.

1.2.7 Relaxing the DFG ring fence

The ring fence is to remain at the current time but the scope for use of DFG funds is to be widened. This will allow DFG funding to be used for associated purposes other than adaptations, for example:

- providing funding to allow an applicant to move home where it is not reasonable or practicable to undertake adaptations at their existing home;
- pool funding to purchase portable extensions, which are suitable for re-use through improved procurement; and
- to purchase stair lifts with a view to loaning and recycling them.

1.3 Future changes to the DFG programme

1.3.1 The following changes are proposed in the future:

- for 2008/09 four local authorities will take part in a pilot where DFG funding will be paid to councils as an un-ring fenced payment through a determination under section 31 of the Local Government Act 2003. Lessons will be learnt from this with a view to expanding to all local authorities in 2010/11;
- a review of the funding arrangements for local authority tenants and registered social landlord tenants;
- changes to the means test to bring it in to line with that used for linked services, for example, the Department of Health and the Department for Works and Pensions. This will include streamlining the DFG application process;
- review the current method for allocating DFG funds to local authorities;
- evaluate the local authority pilots involved in the Individual Budget approach for funding DFG adaptations with a view to rolling out to other local authorities;
- to provide guidance to regions, local authorities and housing associations on addressing the need for accessible housing and the provision of adaptations within their overall strategies. The removal of the DFG ring

fence will require an effective strategic approach if funding is to continue to be adequately prioritised;

- new national funding to be provided from 2009 through the National Strategy for Housing in an Ageing Society for rapid repairs and minor adaptations such as that provided by handyperson services;
- to allow Home Improvement Agencies (HIAs) to develop as the 'hub', providing core services such as adaptations but also working with other agencies to provide vulnerable clients with choices about their home environment; and
- the name change from 'Disabled Facilities Grant' to 'Accessible Homes Grant' to be revisited in the future.

1.3.2 Quite what these changes will mean in practice is difficult to assess at this stage. Suffice to say your officers will maintain a dialogue with the GOSE to ensure the implications for our clients and the Council's finances are fully assessed and reported in a timely fashion

1.4 Re-profiling of the DFG budget following the end of year turn-out

1.4.1 Members are requested to endorse re-profiling of the budget to take account of the additional government grant secured in 2007/08 but committed to schemes completing in 2008/09; and the enhanced government grant awarded in 2008/09.

1.4.2 The DFG budget for 2007/08 was:

- £301,000 original Government allocation;
- £201,000 forty per cent match funding provided by the Council;
- £35,000 additional Government allocation; and
- £23,000 additional top up funding by the Council.

Therefore a total of £560,000 of which £523,000 was spent as detailed earlier. The £37,000 remaining to carry forward as already fully committed.

This would then create a budget for 2008/09 comprising:

- £360,000 government allocation for 2008/09;
- £201,000 funded by the Council (set out in the Capital Plan); and
- £37,000 slippage from 2007/08.

This would result in total DFG budget of £598,000 for 2008/09.

1.5 Conclusion

- 1.5.1 The Council welcomes the changes to the DFG programme particularly if it helps to reduce the inequalities in the process and reduce its cumbersome nature. Some of the changes proposed in May 2008 will impact on funding, particularly the changes to the maximum grant limit and the means test. It is hoped that over time this can be balanced by the changes for the potential to recycle DFG funds.

1.6 Legal Implications

- 1.6.1 Disabled Facilities Grants are a mandatory grant and the changes scheduled in May 2008 and the future to the DFG programme will not change this mandatory duty.

1.7 Financial and Value for Money Considerations

The financial impact of increased expenditure on DFGs and a proportionate increase on Government grant allocation is explained in paragraph 1.4 above. The financial effect of which needs to be reflected in a further amendment to the Capital Plan.

1.8 Risk Assessment

- 1.8.1 If Council funding is not maintained at a sufficient level for DFG adaptations the Council is at risk of failing to meet its statutory duty.

1.9 Recommendations

- 1.9.1 Cabinet is **RECOMMENDED** to:
- 1.9.2 **NOTE** the changes to the Disabled Facilities Grant programme proposed for May 2008 and in the future;
- 1.9.3 **ENDORSE** the placing of a charge on owner-occupied properties where the cost of the DFG exceeds £5,000, up to a maximum of £10,000, for a period of 10 years; and to
- 1.9.4 **RECOMMEND** the Capital Plan be amended to reflect the increased allocation of Government grant in 2008/09 as explained in paragraph 1.4 of this report.

Background papers:

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Nil

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